

ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
7:30PM COMMUNITY SAFETY BUILDING
3/16/11

ATTENDEES:

McGaffigan	Bayer*	Jenkins*	Phelps	Corredera
DeCoursey*	Connors*	Simmons*	Gibian*	
Tosti*	Foskett*	Deyst*	Ronan*	
Ferrara*	Franclemont	Jones*	Deshler*	
DuBois*	Howard*	Fanning	Carman*	Turkall*

* Indicates present

VISITORS: Superintendent Kathy Bodie, CFO Diane Johnson, School Committee Members Joe Curro (Chair), Cindy Stark, Leba Heigham, Kirsi Allison-Ampe, Jeff Theilman; Julie Dunn, Len Kardon

MINUTES of 3/4 accepted as corrected. Unanimous

SCHOOL BUDGET: Curro introduced the School Committee members present & the staff. Bodie announced that AHS was honored to be one of 388 high schools nation wide to have exceptionally high AP test score increases 2008 to 2010. Johnson, supported by the Superintendent and School Committee members, presented the budget voted by the School Committee using Power Point slides and a handout Ref 1. She noted that the FY11 expenses are tracking the budget. If necessary, she is prepared to cut elsewhere to avoid an overrun. LABB credits will be voted in May. The district is making an effort to collect expenses for students from group homes. Some communities are unwilling to pay. Arlington is owed \$90k from FY10. She reviewed the expected revenue for FY12 which will total 2% below FY11 or \$953k. This includes an estimated 10% drop in grants. The reduction from a level service budget is \$2.665m. She stated that reductions in previous years did not substantially affect teachers. The FY12 budget has a substantial SPED staff position reserve and a \$228k budget reserve. The FY12 budget will eliminate 41 teachers and a few other positions. The budget assumes Thompson will be closed for construction. The central kitchen will move to the HS. Busing costs will be considered a construction project cost. Johnson reviewed the \$700k legal budget which includes \$300k for the court case expense & a \$200k settlement reserve. Athletic fees will remain high but the family cap will be lower, the fees will be more closely linked to the cost of each sport and they will be offset somewhat by advertizing on Peirce Field. At the completion of Johnson's presentation, the FinCom went back over the handouts page by page and asked numerous questions. The answers are incorporated in the above summary. Members complimented Johnson on her presentation and on the school budget book.

SPECIAL TOWN MEETING

ART 3 AHS REPAIR: Bodie said this was caused by a burst pipe.

ART 4 STRATTON SCHOOL Bodie wants to establish a fund for capital expenses.

ART 6 UNPAID BILLS: Arbitration charges for FY9 & FY10 were not received before the end of the year.

Peter B Howard 3/18/11 Revised 3/21/11
cc FinCom Members, Library File, Town Web Site

VOTE SUMMARY – Articles

# 2/10	#	#	Title	Date Heard	Date Voted	Status (Unlisted votes were unanimous)
14			Affordable Housing Requirements	2/9		
15,16			Assisted Living	2/9		
21			Closing Of Warrant	2/16		Wait for BoS
22			Standing Votes	2/16		Wait fot BoS
23			Snow Shoveling	2/9		
30			Civil Service Exemptions	2/9		
32			GIS Health Reimbursement Accounts	2/9,2/23		Requested wording
33			Antenna Leases Renewal	2/9		
34			PAYT Program	2/14		
35			Trash Removal Enforcement	2/14		
36			Transfer of 23 Maple St	2/9		
37			Disposition of 23 Maple St	2/9		
38			Disposition of Parmenter	2/9		
39			Disposition of Crosby	2/9		
40			Crosby School Land	2/16		
41			Brick Curb Cut Policy	2/16		No report
42			Bricks Replacement Senior Ctr	2/16		Requested info
43			Reserve Fund Policy	2/14	2/14	No action
44			Consolidate Human Resource Dept	2/9,3/14		
45			Human Resource Dept Pay Plan	2/9		
46			Financial Report	3/14		
47			Budget Submissions	3/14		
49			Economic Advisory Group	3/14		
50			Extend ReOrg Committee	3/14		
51			Consolidation Finance Depts	3/2		
54			Collective Bargaining	2/9	2/9	Report @ TM
55			Positons Reclssifications			
57			Capital Budget	2/28	2/28	\$8,448,540
58			Sidewalks on MassAve	3/14	3/14	No action
59			Sewers	2/9		
60			Water	2/9		
61			Minuteman Tech			
62			Committees & Commissions	2/9	2/16	\$14,760
63			Celebrations	2/9	2/16	\$10,167
64			Misc Appropriations-Indemnity	2/9	3/2	\$9,540
65			Water Bodies	2/23	2/23	No action
66			Water Bodies	2/23	2/23	\$20,000
67			Pension Adjustment	2/7		
68			OPEB	2/7		
69			Increase COLA Base	2/7		
70			Increase Survivors Benefits	2/7		
71			Local Option Taxes	3/14	3/14	No action
72			Tip Fee Stab Fund	3/14	3/14	\$450,000
73			Transfer of Cemetery Funds			
74			Overlay Reserve	3/14	3/14	\$200,000
75			Stabilization Fund	3/14		
76			Free Cash	3/14	3/14	\$385,249
STM2			Amendments to FY11 budget			
STM3			AHS Repair	3/16		
STM4			Stratton School Capital Budget			
STM5			Thompson School Capital Budget			
STM6			Unpaid bills from previous years	3/16		
STM7			Mass Ave Sidewalks			

VOTE SUMMARY-Budgets

#	Title	Date Heard	Date Voted	Amount	Vote Unlisted votes were unanimous
1	FinCom	2/16	2/16	10618	
2	Board of Selectmen	3/14	3/14	341378	
3	Town Manager	2/23	2/23	399995	
4	Personnel				
5	Information Technology				
6	Comptroller	2/23	2/23	388576	
7	Treasurer	3/9			
8	Postage				
9	Assessors	2/28	2/28	295315	
10	Legal	2/23	2/23	409219	
11	Town Clerk	3/9			
12	Registrar of Voters				
13	Parking				
14	Planning	2/28	3/2	222421	
15	Redevelopment Board				
16	Zoning Board of Appeals	3/2	3/2	18084	
17	Public Works				
17g	Street Lights				
18a	Community Safety Admin	3/9	3/9	389059	
18b	Police	3/9	3/9	5485412	
18c	Fire	3/2	3/2	5282657	
18d	Support	3/9	3/9	718214	
19	Inspections				
20	Education				
21	Library	2/16	2/16	1804517	
22a	Health & Human Services	3/9			
22b	Veterans	3/9			
22c	COA	3/9			
23	Retirement				
24	Insurance	3/2,3/9	3/9	19986646	
25	Reserve Fund				=
W&S EF	Rev Exp				
Rec EF	Rev Exp				
Rnk EF	Rev Exp				
COA EF	Rev Exp	3/9			
Youth EF	Rev Exp	3/9			

Arlington Public Schools

FY 2012 Budget

A Presentation To
The Arlington Finance Committee
March 16, 2011

Agenda

- School Committee Members
- Budget Development Process & Timeline
- Administrative Accomplishments
- Major Discussion Points FY11 & FY12
- Risks to FY 12 Budget

Arlington School Committee

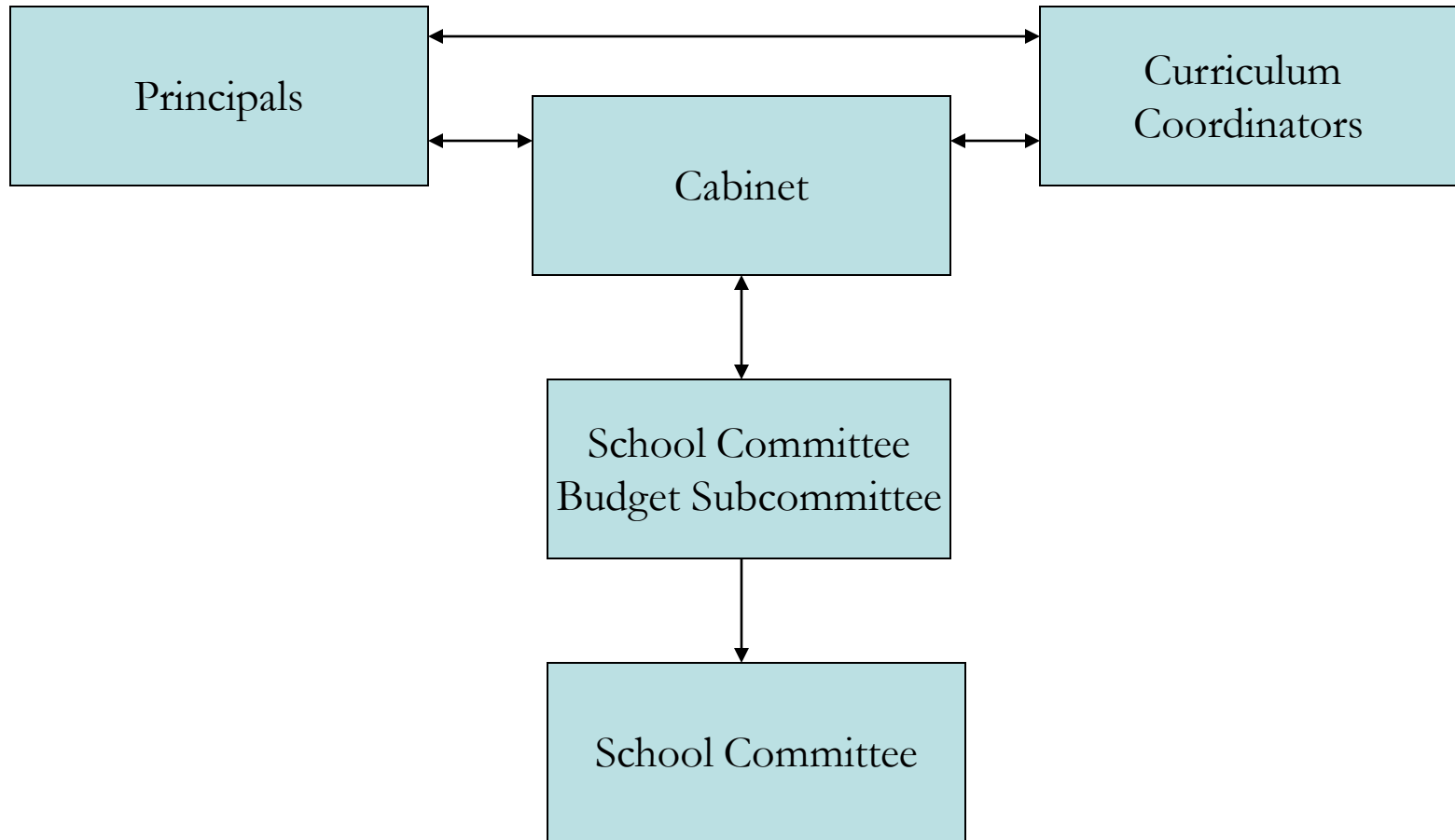
- Joseph A. Curro, Jr., *Chair*
- Leba Heigham*
- Cindy Starks
- Jeff Thielman*
- Joseph E. Curran
- Kirsi C. Allison-Ampe*
- Judson L. Pierce

*Budget Subcommittee Member

APS Budget Development Timeline

- Establishment of SC Budget Subcommittee – Spring
- Administrative team meets – Summer through Winter
- Ongoing meetings between Cabinet & School Committee Budget Subcommittee help shape Superintendent's budget - Fall through Winter
- Budget Subcommittee Public Forums – January & February
- Superintendent's Proposed Budget presented to School Committee – February 11
- Public hearings by School Committee – February 15 & March 1
- School Committee revises & approves School Committee Budget – March 8
- School Committee Budget presented to Finance Committee – March 11
- Finance Committee hearing March 16
- Arlington Public Schools Budget presented to Town Meeting with endorsement of Finance Committee – May

APS Budget Development Process



Arlington Public Schools

Participants in Budget Development Process

- Principals
 - Alan Brown, Deb D'Amico, Sheri Donovan, Karen Hartley, Tara Rossi, Steve Silvestri, Charles Skidmore, Timothy Ruggere, Stephanie Zerchykov
- Cabinet
 - Kathleen Bodie, Wallis Raemer, Diane Johnson, Mark Ryder
- Curriculum Coordinators
 - David Ardito, Cindy Bouvier, Jim Brown, Kerry Dunne, Jill McCarthy, Deb Perry, Pasquale Tassone, Larry Weathers
- Budget Production Contributors
 - Claudia Bertoli, Marie Carroll, Julie Dunn, Neile Emond, Rick Iannelli, Diane Johnson, Julia McLaughlin, Pat Plagge, Jocelyn Siccone

Administrative Accomplishments

- Improved Transparency & Accountability
 - Position control system created
 - New chart of accounts
 - Monthly financial reporting accessible online
 - Revised budget document including greater level of narrative on both summary & detail levels
 - Revised purchasing procedures
 - Restructured business office staff
 - Ongoing Special Education cost containment

FY12 Budget Background

- This is sixth consecutive budget which has required service reductions
- With mission to preserve classroom experience for students, prior cuts have emphasized every area except classroom teachers
- Areas that have been cut in prior years:
 - Administration, support staff, facilities, educational supplies & materials, curriculum leadership, student support services and direct instruction
- FY12 Budget reduces classroom teachers

Major Discussion Points

- FY11
 - Year-to-date revenues & expenses compared to budget
- FY12
 - Sources of funding
 - Level service funding requirements
 - Special Education & reserves
 - Positional cuts & changes in staffing
 - Thompson/Stratton construction
 - Legal expenses
 - Athletic fees

FY 11 Year to Date Results

- Tuition-in revenues tracking \$100,000 below original budget estimates
- Athletics, Building Rental, Foreign Visas, Instrumental Music, Kindergarten, Peirce Field, & Menotomy Preschool will all continue to receive fee payments through Spring
- Expense categories show some variances both above and below budget
- Will make reductions to end year in balance, if necessary

FY 12 Sources of Funding

- FY12 revenues of \$43,869,822; down 2% (\$953,010) from FY11
- Key drivers:
 - Town appropriation increase of \$1,627,165
 - ARRA Stimulus Funding terminated - was \$914,555 in FY11
 - Grants projected to decline \$258,044
 - Fees & reimbursements projected to decline \$1.4 million – primarily due to loss of Bridge the Gap, declines in Tuition-in & Circuit Breaker

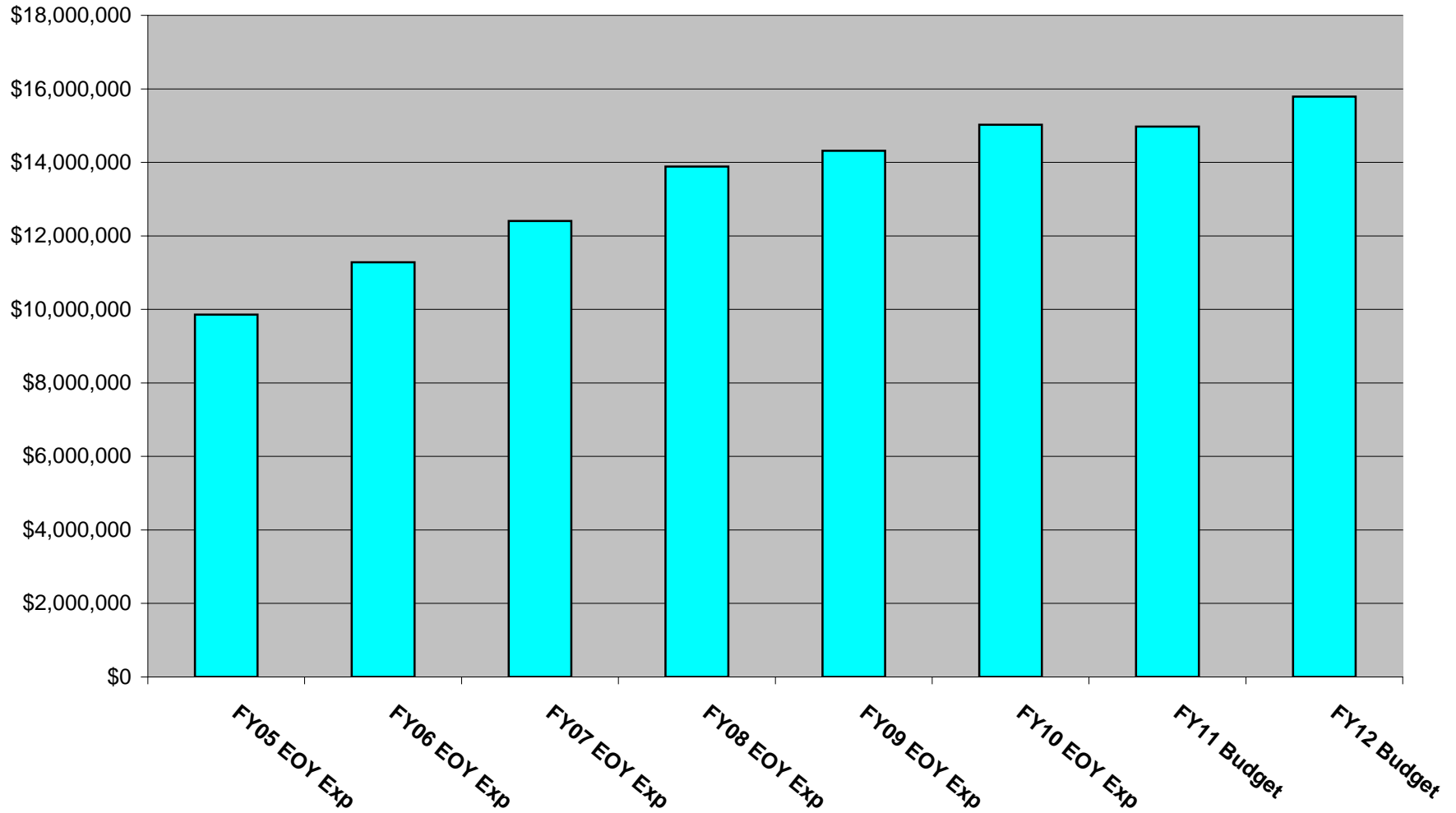
FY12 Level Service Requirement

- \$46,535,421 - funding required to maintain current level of services in APS
- \$43,869,822 - budgeted funding
- \$2,665,600 gap – value of services to be cut
- Gap is far larger than \$953,010 decline in funding

Special Education & Reserves

- Special Education expenses grew 52% over last seven years
- FY12 expense growth held to 5.7%, including establishment of \$228,000 reserve
- Special Education is 36% of FY12 Budget

Special Education Expenditures
Actual and Projected
(following EOY criteria, SpEd legal is not included in these numbers)



Special Education & Reserves

- From FY05 to FY11, the number of Special Education eligible students has risen from 809 to 891, an increase of 6%
- During the same period, out of district placements have been reduced from 176 to 86, a decrease of 51%
- Since 2005, the Arlington Public Schools student population has risen from 4,486 to 4,905, an increase of 9%

Special Education & Reserves

- In FY12, District will utilize capacity in improved in-district Supported Learning Centers
- Out of district tuition is budgeted at \$6 million
- Out of district transportation is budgeted at \$650,000
- Unexpected out of district costs increases supported by \$228,000 reserve

Positional Cuts & Changes in Staffing

- FY12 Budget Teacher salary & wages compared to FY12 Level Service
 - Level Service \$21,714,952
 - FY12 Budget \$19,508,968
 - Reduction (\$ 2,205,985)
- This budget preserves most existing programs, but funding constraints result in larger class sizes or diminished program offerings

Positional Cuts & Changes in Staffing

- FY12 Budget relies heavily on teacher reductions - other areas already cut to minimal levels during prior 6 years of service reductions
- Teaching reductions in FY12 Budget
 - FY11 Budget FTE 353.6
 - FY12 Budget FTE 312.4
 - Reduction FTE (41.2)

Positional Cuts & Changes in Staffing

- Administrative reductions in FY 12 Budget
 - FY11 Budget FTE 30.6
 - FY12 Budget FTE 27.7
 - Reduction FTE (2.9)
- Other staffing levels changing in FY12 Budget
 - Custodial – loss of 5.0 FTE
 - Clerical – loss of 1.0 FTE
 - Teacher Aides – FTE to increase by 11
 - Traffic Supervisors eliminated – loss of 9.5 positions

Thompson/Stratton Construction

- FY12 Budget assumes Thompson closes at end of school year to expedite construction
- Thompson students to be relocated temporarily to other district schools
- \$570,829 in budgeted reductions from temporary closing of Thompson represent impact on district overall, not designated reductions for Thompson community
- Stratton in process of approval for MSBA Green Repair Program which will partially subsidize renovations

Legal Expenses

- FY12 Budget for Legal Expenses
 - \$300,000 General Education related issues
(includes costs of Bouris/Coughlin ongoing litigation & arbitration)
 - \$200,000 Special Education related issues
 - \$200,000 Settlement Reserve for potential cost of final agreements in Bouris/Coughlin litigation & arbitration
- New HR position to improve procedures/controls regarding personnel issues

Athletic Fees

- FY11 Athletic fees increased dramatically
- Impact mitigated by \$1,250 family cap
- Reasonable assurance of covering athletic costs with lowered family cap
- Fee structure not yet finalized for FY12
- Possibility of advertising revenue

Risks to FY12 Budget

- State aid to cities & towns could drop
- Administrative staffing instability
 - loss of Director of Special Education
 - Assistant Superintendent position substantially reduced
- Thompson – vote in Town Meeting to determine final plan
- Litigation outcomes

Action Requested

- The Arlington School Committee respectfully requests approval of the FY12 Budget voted by School Committee on March 8, 2011